

Regional Greenhouse Gas Initiative (RGGI)

Avoided Methane Emissions from Agricultural Manure Management Offset

**AgSTAR National Conference: Anaerobic Digestion for
Livestock Waste Management and Energy Production**

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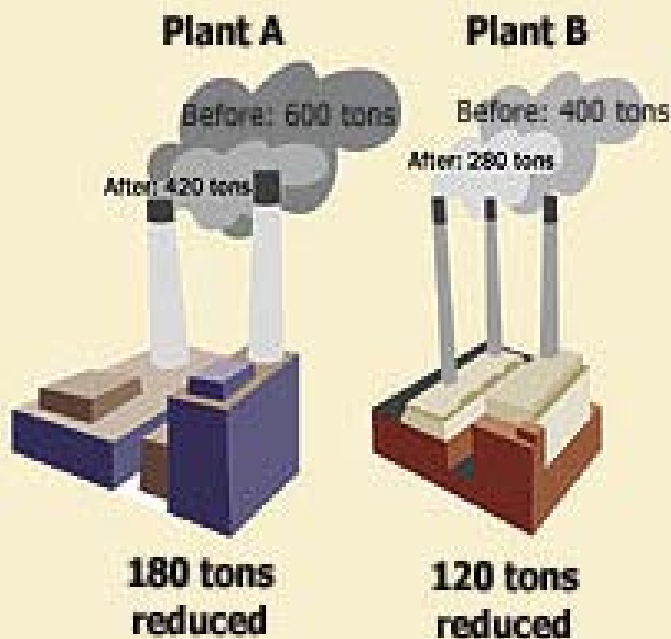


RGGI Background

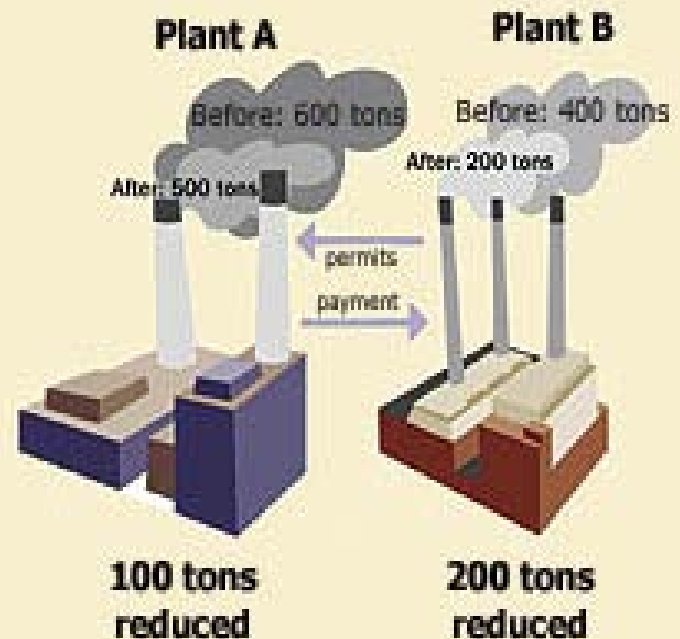
- ❑ Currently 10 States have signed the MOU.
- ❑ Regulates CO₂ emissions from electric generating units $\geq 25\text{MW}$
- ❑ Offsets allowed
- ❑ Program to begin in 2009

Cap-and-Trade

Traditional Approach: 30% Mandatory Reduction



Flexible Cap-and-Trade Approach



Offsets

- ❑ A “carbon offset” is an emission reduction credit from another organization’s project that results in less carbon dioxide or other greenhouse gases in the atmosphere than would otherwise occur.
- ❑ Offset projects provide the regulated community with additional flexibility to meet compliance obligations at the lowest cost.



Offsets –con't

Offsets must be:


- ❑ **Real**
- ❑ **Additional**
- ❑ **Verifiable**
- ❑ **Enforceable**
- ❑ **Permanent**



RGGI Offsets


- ❑ Five initial offset categories are eligible under RGGI
- ❑ Regulated sector can purchase carbon credits created from offset projects to meet a portion of their compliance requirements
- ❑ Specific eligibility rules and reporting standards for each offset category are available:
<http://www.rggi.org/modelrule.htm>





RGGI Offsets – General Rules

- ❑ Project must be “initially commenced on or after December 20, 2005”
- ❑ Project can not be the result of any law, regulation or order (administrative, judicial)



RGGI Offsets – General Rules

- ❑ No credits will be awarded to projects that receive funding from any system benefit fund or funds or incentives provided through the energy efficiency and clean energy account. *242-10.3(d)(3)*
- ❑ Projects participating in a Renewable Portfolio Standard must transfer legal rights to attribute credits that may be used for compliance purposes *242-10.3(d)(2)*



RGGI Offsets – Anaerobic Digestion

- ❑ The provisions of paragraphs **242-10.3(d)(2)&(3)** shall not apply to agricultural manure management offset projects provided either of the following are met. **242-10.5(e)(1)(iii)**
- ❑ State market penetration rate for AD less than 5%
- ❑ Located at a farm of less than 4000AU

RGGI – AD Standards

- ❑ **Manure based systems -50% manure on an annual basis**
- ❑ **Destruction of methane from addition of organic food-waste eligible under certain conditions**
- ❑ **Centralized digesters eligible**
- ❑ **Offsite transport to centralized digesters must include transportation fuel use calculations**



RGGI-AD Credit Determination

- ❑ Credits are determined based on the potential emissions of methane that would have occurred in the absence of the project. - This differs from the standards found in some voluntary markets which calculate total methane created, captured and destroyed and apply a co-efficient



RGGI-AD Credit Determination

- ❑ The total amount of credits generated under RGGI will differ from the total amount of credits under some other standards.
- ❑ However in the future this discrepancy in number of credits awarded may be reflected in the price per credit.





RGGI – Offset Project Location

- ❑ **Offset projects located in the United States but outside of the RGGI States are eligible to participate provided that the State in which the project is located has a Memorandum of Understanding with the participating RGGI States.**



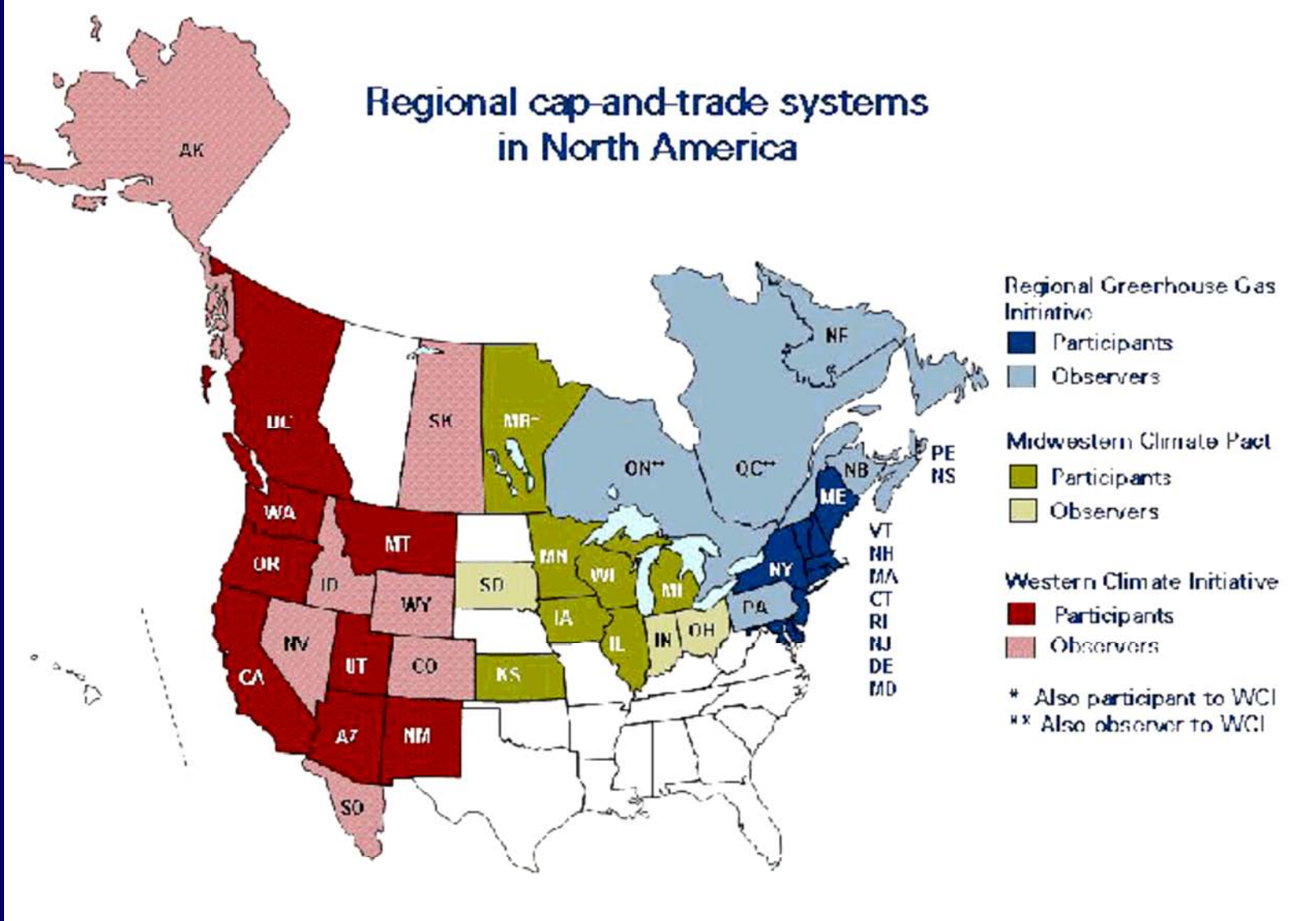
Additional Resources

RGGI Model Rule:

<http://www.rggi.org/modelrule.htm>

NYS CO2 Budget Trading Program:

<http://www.dec.ny.gov/regulations/38974.html>



Source: Point Carbon



QUESTIONS ?

